

Tax weighs on energy companies

Top official suggests cuts; cabinet approves National Energy Security Day

STAFF CORRESPONDENT

The energy secretary yesterday suggested the government reduce the burden of supplementary duties and value-added tax on state-owned energy companies to help them grow. The supplementary duties and VAT are shaving 55 percent off the income of the those companies, which leaves very little for them to spend on energy-sector development, which is capital-intensive, said Muhammad Mesbahuddin.

The official was speaking at a seminar titled "Energy Security of Bangladesh: Bangabandhu's Farsightedness", organised by Petrobangla.

The seminar was designed to introduce the country's first National Energy Security Day.

Mesbahuddin said the energy companies were losing efficient people due to poor pay. "We are working on a separate payscale for energy officials and we draw the finance minister's attention to this," he told the seminar where Finance Minister AMA Muhith was the chief guest.

The Prime Minister's Energy Adviser Tawfiq-e-Elahi Chowdhury attended the event as a special guest.

National Energy Day was organised to commemorate a visionary step taken by Bangabandhu Sheikh Mujibur Rahman on August 9, 1975.

On that day, Bangabandhu had bought five

gasfields owned by the international oil company Shell Oil paying Tk 17.86 crore (4.5 million pounds).

Petrobangla estimates the present days worth of those resources to be around Tk 164,804 crore (\$23.54 billion). The five fields have since been serving as the country's energy lifeline.

The cabinet yesterday decided to observe the day as National Energy Security Day.

Muhith said energy is of topmost priority to government, so there will not be any problem with allocations in the sector.

The government roadmap says the power crisis will be managed by 2012; but the road is not smooth, everyone needs to be committed to implementing the roadmap, the minister said.

"Development is impossible without smooth supply of power and energy so it remains the government's highest priority," Muhith said.

At present, the main challenge the country faces is its weak infrastructure, especially the nation's power and energy infrastructure, the finance minister said.

Tawfiq-e-Elahi Chowdhury said the government is looking for fuel diversity, considering all possible energy sources such as gas, oil, coal, and renewable and nuclear power.

The government wants to strengthen Bangladesh Petroleum Exploration Company or Bapex, he said.

Autonomy of city corporations stressed

STAR BUSINESS REPORT

Speakers at a workshop yesterday stressed the need for autonomy of all city corporations.

The lack of operational autonomy works as a major hindrance to achieving an efficient and effective city governance system, they said.

Ministries or other government agencies frequently interrupt and intervene in the operations of city corporations, says a recent study carried out by the International Business Forum of Bangladesh (IBFB).

IBFB organised the workshop titled "Improving City Governance and Private Sector Development" at Dhaka Sheraton Hotel yesterday.

In the existing organogram of the city corporations, some vital positions are filled up mostly with civil-service cadres, according to the study.

Most officials of city corporations do not perform works effectively as they seldom own the full sense of responsibility as being a part of the city corporation.

"They think this because their stay at the corporation is of temporary nature. Unless a complete overhaul of

our city governance system is ensured, the country may not be able to attract foreign investments and this may lead to a major economic setback," said Mahmudul Islam Chowdhury, president of IBFB.

The new unified City Governance Act of 2009 lacks provision for authority and power of the corporation as an elected body.

The unified local government law of 2009 has seriously undermined the elected offices of mayor or councillor as they can be suspended by just filing a criminal case, said

Chowdhury.

"Corruption has become so rampant at the city corporation offices that one cannot have a job done without bribing people at the city corporation offices," said M Anis Ud Dowla, president of Metropolitan Chamber of Commerce and Industry.

Dhaka City Corporation is the most corrupt among the city corporations in Bangladesh, he alleged.

"The private sector should be encouraged to participate in the city governance system," said Shawkat Ali, deputy speaker of parliament.

Robi offers product for youth

STAR BUSINESS DESK

Mobile phone operator Robi yesterday launched a product especially designed for the youth, said a statement.

Mohiuddin Babar, head of communication, and Bidyut Kumar Basu, chief marketing officer of Robi, launched the product at a function in Dhaka.

The package, Robi Prothom (Robi First), offers Tk 0.44/min for on-net calls round the clock with SMS at Tk 0.44 and 10 MB internet facility for Tk 10.

The pre-paid connection will be available for Tk 125 with 25-minute free talk time and 100 SMS for Tk 100.

Cal to boost tax collection

STAR BUSINESS REPORT

The government should step up measures to enhance the tax collection system, an international conference of chartered accountants said yesterday.

Speakers at the conference also stressed the need to better the tax-GDP ratio of the country.

"Although the country's tax-GDP ratio is gradually increasing, still it is lowest among the South Asian countries," said MA Baree, partner of chartered accountants firm Hoda Vasi Chowdhury.

"One of the main reasons behind such a low ratio is that our government provides tax exemption facilities to many sectors. For example, the transport sector accounts for more than 11 percent of our GDP, but contributes only 1 percent to the GDP," he said.

"So it's time for the government to take serious measures, such as improving the tax collection system and make it more pragmatic to increase the ratio."

Baree was speaking at a technical session styled 'Value Added Tax in Bangladesh: An Effective Way of Internal Resource Mobilisation' organised by Institute of Chartered Accountants of Bangladesh (ICAB) at Sonargaon Hotel in Dhaka.

Also, many taxable areas enjoy exemptions, he said, citing example of tax break in income tax, zero rate and other special exemptions for imports and truncated base for VAT.

He suggested the government take separate strategies for different revenue sources, including income tax, VAT and import duty.

"VAT is an important revenue source

for the government. So the collection target must be made on the basis of the potential in each sector instead of setting a typical target comparing with the previous year," said Baree, also a former president of ICAB.

He called upon the government to limit the statutory regulatory orders (SRO), notices and circulars to a manageable level, so the consumers can easily understand the change in any decision.

The National Board of Revenue should take services from the chartered accountants to cope with the skill dearth at the board, said Baree.

He also stressed revising the VAT regulations and making those user-friendly to increase tax collection.

Abbas Uddin Khan, chairman of the conference organising committee, moderated the session.



Intertek, a leading global provider of quality and safety solutions, awarded an ISO 9001:2008 certificate to Bangladesh Edible Oil Limited (BEOL) at the Westin Hotel in Dhaka on Sunday. David Gregory, vice president of Intertek's government services division, presented the certificate to Lee Peng Kwang, general manager of BEOL. Ronald Biswas, country manager for Intertek Bangladesh, was also present.

Global Beverage to expand capacity

STAR BUSINESS DESK

Global Beverage Company Ltd (GBCL) plans to increase its capacity with a new production line of 18,000 bottles an hour, said a statement.

"The new plant will reduce the supply gap and allow us to target more aggressive growth," said Yasser Rizvi, deputy managing director of GBCL.

GBCL bottles and sells three international beverage brands -- Virgin Drinks of UK, Shark Energy Drink of Thailand and ZamZam Cola of Iran.

The company, taken over by Alliance Holdings Ltd in 2005 from Youth Group, started its journey with Virgin brand soft drinks in Bangladesh in 1999.

Monitor launches airline awards

STAR BUSINESS REPORT

The Bangladesh Monitor, a travel and tourism magazine, yesterday launched awards for airlines to recognise the best airlines for the year 2009.

The fortnightly said it would take opinions of nearly 3,000 frequent flyers on airlines' services in 14 categories, including best inflight entertainment provider and best inflight meal server for business and economy classes.

"The aim of the awards is to promote healthy competition and encourage improvement in service standards of airlines operating from Bangladesh," said Kazi Wahidul Alam, editor of The Bangladesh Monitor, at a press conference at Sonargaon Hotel.

The magazine has announced the awards for a third year. Last year, it conducted a survey among nearly 2,200 frequent flyers to select the best airline operating from Bangladesh.

This year, the magazine has introduced a new category -- Most Popular Destination -- to select the favourite destination of the Bangladeshis travelling abroad.

The poll will continue until August 30, 2010. Eastern Bank acts as the lead sponsor of the awards.

RMG labour unrest: Minister smells NGOs' involvement

STAR BUSINESS REPORT

Some nongovernmental organisations (NGOs) were involved in the latest labour unrest in the readymade garment sector, alleged Labour and Employment Minister Khandaker Mosharraf Hossain yesterday.

Without mentioning any specific name, the minister said in the name of protecting human rights, they (some NGOs) are violating human rights.

He said the existing labour law should be formulated in a comprehensive manner to bring all aspects under one umbrella.

"Some external forces were involved in the violence," the minister said.

He was speaking at a roundtable on 'strategies to minimise labour unrest in the RMG sector' at Dhaka Sheraton Hotel as the chief guest.

LIFT Standards, a German-based advisory firm on Corporate Social Responsibility (CSR), organised the discussion where lawmakers, diplomats, economists, trade union

leaders, representatives of the international buyers, manufacturers, trade body leaders and experts attended.

Economist Qazi Kholiquzzaman Ahmad, chairman of the Palli Karma Shahayak Foundation (PKSF) stressed a healthy working environment at the factory level with the participation of workers and owners.

"I strongly support for allowing trade unionism," he said.

Stefan Frowein, ambassador of the Delegation of the European Commission, said EU is always concerned about core labour standards and human rights.

Dr Wajed Ali Khan, general secretary to Bangladesh Trade Union Centre, said the unrest occurred because of the poor wage.

He suggested the government introduce rationing of foods for the garment workers like police and Bangladesh Rifles.

Abu Arshad Khandker, supplier development manager of Walmart, asked the manufacturers for improving the mid-level management situation at different factories.



Kazi Wahidul Alam, editor of the travel and tourism fortnightly magazine Bangladesh Monitor, speaks at a press meet to launch awards for airlines at Sonargaon Hotel in Dhaka yesterday. The awards will recognise the best airlines for 2009.




GREEN DELTA MUTUAL FUND

Initial Public Offering (IPO) of Green Delta Mutual Fund

The Abridged Version of the Prospectus was published in "Prothom Alo" & "The Daily Star" on 15th July, 2010

SIZE OF THE FUND: Tk.150,00,00,000 divided into 15,00,00,000 units at par value of Tk. 10 each

SPONSOR'S CONTRIBUTION: 1,50,00,000 units of Tk. 10 each at par for Tk. 15,00,00,000

PRE-IPO PLACEMENT: 6,00,00,000 units of Tk. 10 each at par for Tk. 60,00,00,000

PUBLIC OFFER: 7,50,00,000 units of Tk. 10 each at par for Tk. 75,00,00,000

RESERVED FOR MUTUAL FUNDS: 75,00,000 units of Tk. 10 each at par for Tk. 7,50,00,000

NON-RESIDENT BANGLADESHIS: 75,00,000 units of Tk. 10 each at par for Tk. 7,50,00,000

RESIDENT BANGLADESHIS: 6,00,00,000 units of Tk. 10 each at par for Tk. 60,00,00,000

Schedule for receiving Public Offering (PO) Units Application Forms	
Resident Bangladeshi	Non-Resident Bangladeshi (By hand)
Date & Time	August 10, 2010 to August 17, 2010 (except Aug 13, 14 & 15)
Venue	White House Hotel, 155, Shantinagar Dhaka - 1217, Bangladesh

* Subject to change of collection time due to Ramadan

For Non-Resident Bangladeshi, Subscription (by Post/Courier only) closes on August 26, 2010. Application sent by Post/Courier will be received at LRO Global's Head Office only.

The applicant shall provide the same bank account numbers in the application form as it is in the Beneficiary Owners account of applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited

RESIDENT BANGLADESHIS: 6,00,00,000 UNITS OF TK. 10 EACH AT PAR FOR TK. 60,00,00,000

BANKERS TO THE ISSUE

<p>The City Bank Limited</p> <ul style="list-style-type: none"> 1 Barisal Branch, Barisal 2 Bogra Branch, Bogra 3 Agrabad Branch, Chittagong 4 Jubilee Road Branch, Chittagong 5 Khatungonj Branch, Chittagong 6 Andarkilla Branch, Chittagong 7 Cox's Bazar Branch, Chittagong 8 Chawkbazar Branch, Chittagong 9 Pahartoli Branch, Chittagong 10 Comilla Branch, Comilla 11 B.B. Avenue, Dhaka 12 Dhaka Chamber Branch, Dhaka 13 Dhanmondi Branch, Dhaka 14 Shaymoli Branch, Dhaka 15 Nawabpur Branch, Dhaka 16 Pragati Sarani Branch, Dhaka 17 Zinda Branch, Dhaka 18 Karwan Bazar Branch, Dhaka 19 Islampur Branch, Dhaka 20 Johnson Road Branch, Dhaka 21 Karwan Bazar Branch, Dhaka 22 New Market Branch, Dhaka 23 Nawabgonj Branch, Dhaka 24 VIP Road Branch, Dhaka 25 Karwan Bazar Branch, Dhaka 26 Khulna Branch, Khulna 27 Tanbaraz Branch, Narayanganj 28 Rajshahi Branch, Rajshahi 29 Bandar Bazar Branch, Sylhet 30 Zinda Bazar Branch, Sylhet 31 Amberkhan Branch, Sylhet 32 Mirzapur Branch, Sylhet 33 Rangpur Branch, Rangpur 34 Sirajganj Branch, Sirajganj 35 Jessor Branch, Jessor 36 Narasingdi Branch, Narasingdi 	<ul style="list-style-type: none"> 21 Mirpur Branch, Dhaka 22 Mirford Branch, Dhaka 23 Nawabpur Road Branch, Dhaka 24 Foreign Exchange Branch, Dhaka 25 Malibagh Branch, Dhaka 26 Uttara Branch, Dhaka 27 Moghbazar Branch, Dhaka 28 Pragati Sarani Branch, Dhaka 29 Jatrabari Branch, Dhaka 30 Gulshan Branch, Dhaka 31 Shaymoli Branch, Dhaka 32 Saver Branch, Dhaka 33 Islampur Branch, Dhaka 34 Joydepur Branch, Gazipur 35 Madaripur Branch, Madaripur 36 Tangal Branch, Tangail 37 Narayanganj Branch, Narayanganj 38 Feni Branch, Feni 39 Lamuria Branch, Lamuria 40 Chowmuhoni Branch, Noakhali 41 Lalidighar Branch, Sylhet 42 Chowhatta Branch, Sylhet 43 Moulvibazar Branch, Moulvibazar 44 Rangpur Branch, Rangpur 45 Rajshahi Branch, Rajshahi 46 Bogra Branch, Bogra 47 Naogaon Branch, Naogaon 48 Khulna Branch, Khulna 49 Jessor Branch, Jessor 	<ul style="list-style-type: none"> 63 Basurhat Branch (Rural), Noakhali 64 Pabna Branch, Pabna 65 Rajshahi Branch, Rajshahi 66 Rangpur Branch, Rangpur 67 Shaheedpur Branch, Sirajganj 68 Chhatk Branch, Sunamgonj 69 Beani Bazar Branch, Sylhet 70 Bishwanath Branch, Sylhet 71 Golla Bazar Branch, Sylhet 72 Golapgonj Branch, Sylhet 73 Sylhet Branch, Sylhet 74 Mirzapur Branch, Tangail 	<ul style="list-style-type: none"> 8 Comilla Branch, Comilla 9 Khulna Branch, Khulna 10 Uposhar Branch, Sylhet
--	--	--	---

Southeast Bank Limited

- 1 Principal Branch, Dhaka
- 2 Corporate Branch, Dhaka
- 3 Inamganj Branch, Dhaka
- 4 Dhanmondi Branch, Dhaka
- 5 Uttara Branch, Dhaka
- 6 New Elephant Road Branch, Dhaka
- 7 Gulshan Branch, Dhaka
- 8 Kakrail Branch, Dhaka
- 9 Narain Branch, Dhaka
- 10 Bangshal Branch, Dhaka
- 11 New Eskaton Branch, Dhaka
- 12 Agargaon Branch, Dhaka
- 13 Pragati Sarani Branch, Dhaka
- 14 Shyamoli Branch, Dhaka
- 15 Aganagar Branch, Dhaka
- 16 Sat Masjid Road Branch, Dhaka
- 17 Ashulia Branch, Dhaka
- 18 Joypura Branch (Rural), Dhaka
- 19 Saver Branch, Dhaka
- 20 Mouchak Branch, Dhaka
- 21 Narayanganj Branch, Narayanganj
- 22 Mohammadpur Branch, Dhaka
- 23 Madhabali Branch (Rural), Narayanganj
- 24 Narayanganj Branch, Narayanganj
- 25 Konabari Branch (Rural), Gazipur
- 26 Tongi Branch, Gazipur
- 27 Comilla Branch, Comilla
- 28 Bandar Bazar Branch, Sylhet
- 29 Hetingonj Branch, Sylhet
- 30 Chowhatta Branch, Sylhet
- 31 Lalidighar Branch, Sylhet
- 32 Bahubal Uposhar Branch, Sylhet
- 33 Pathantula Branch, Sylhet
- 34 Moulvibazar Branch, Moulvibazar
- 35 Narayanganj Branch, Narayanganj
- 36 Madambir Hat Branch, Chittagong
- 37 Agrabad Branch, Chittagong
- 38 Jubilee Road Branch, Chittagong
- 39 Khatungonj Branch, Chittagong
- 40 CDA Avenue Branch, Chittagong
- 41 Pahartoli Branch, Chittagong
- 42 Morin Road Branch, Chittagong
- 43 Bahubal Uposhar Branch, Chittagong
- 44 Cox's Bazar Branch, Cox's Bazar
- 45 Chourmuhoni Branch, Noakhali
- 46 Basurhat Branch (Rural), Noakhali
- 47 Chhatk Branch, Chittagong
- 48 Feni Branch, Feni
- 49 Rangpur Branch, Rangpur
- 50 Jessor Branch, Jessor
- 51 Khulna Branch, Khulna
- 52 Barisal Branch, Barisal
- 53 Rajshahi Branch, Rajshahi
- 54 Naogaon Branch, Naogaon

BRAC Bank Limited

- 1 Agrabad Branch, Chittagong
- 2 Kaziur Branch, Chittagong
- 3 Halishahar Branch, Chittagong
- 4 CDA Avenue Branch, Chittagong
- 5 Morin Road Branch, Chittagong
- 6 Asad Gate Branch, Dhaka
- 7 Dinajpur Branch, Dinajpur
- 8 Bashundhara Branch, Dhaka
- 9 Donia Branch, Dhaka
- 10 Eskaton Branch, Dhaka
- 11 Graphics Building Branch, Dhaka
- 12 Narayanganj Branch, Narayanganj
- 24 Rajshahi Branch, Rajshahi
- 25 Zindabazar Branch, Sylhet

Dhaka Bank Limited

- 1 Bangshal Branch, Dhaka
- 2 Goran Business Centre, Dhaka
- 3 Islampur Branch, Dhaka
- 4 Saver Branch, Dhaka
- 5 Mirpur Branch, Dhaka
- 6 CDA Avenue Branch, Chittagong
- 7 Cox's Bazar Branch, Cox's Bazar

Bank Asia Limited

- 1 Bogra Branch, Bogra
- 2 Agrabad Branch, Chittagong
- 3 Anderkilla Branch, Chittagong
- 4 CDA Avenue Branch, Chittagong
- 5 Khatungonj Branch, Chittagong
- 6 MCB St. Mujib Road Branch, Chittagong
- 7 Station Road Branch, Chittagong
- 8 Bahubal Uposhar Branch, Chittagong
- 9 Bashundhara Branch, Dhaka
- 10 Corporate Branch, Dhaka
- 11 Dhanmondi Branch, Dhaka
- 12 Gulshan Branch, Dhaka
- 13 MCB Banani Branch, Dhaka
- 14 MCB Dilukha Branch, Dhaka
- 15 Mirpur Branch, Dhaka
- 16 Mirford Branch, Dhaka
- 17 Mohakhali Branch, Dhaka
- 18 North South Rd. Branch, Dhaka
- 19 Principal Office Branch, Dhaka
- 20 Scotta Branch, Dhaka
- 21 Shantinagar Branch, Dhaka
- 22 Uttara Branch, Dhaka
- 23 Noghbar Branch, Dhaka
- 24 Pragati Sarani Branch, Dhaka
- 25 Jessore Branch, Jessore
- 26 Khulna Branch, Khulna
- 27 Rajshahi Branch, Rajshahi
- 28 Sylhet Main Branch, Sylhet
- 29 Sylhet Uposhar Branch, Sylhet

National Credit and Commerce Bank Ltd.

- 1 Agrabad Branch, Chittagong
- 2 Jubilee Road Branch, Chittagong
- 3 Khatungonj Branch, Chittagong
- 4 Nazim Road Branch, Chittagong
- 5 CPZ Branch, Chittagong
- 6 Anderkilla Branch, Chittagong
- 7 Halishahar Branch, Chittagong
- 8 Kadamtali Branch, Chittagong
- 9 Majhigat Branch, Chittagong
- 10 Cox's Bazar Branch, Cox's Bazar
- 11 Comilla Branch, Comilla
- 12 Motilheer Branch, Dhaka
- 13 Babubazar Branch, Dhaka
- 14 Banani Branch, Dhaka
- 15 Narayanganj Branch, Dhaka
- 16 Bijnaygar Branch, Dhaka
- 17 Dhanmondi Branch, Dhaka
- 18 Dilukha Branch, Dhaka
- 19 Elephant Road Branch, Dhaka
- 20 Karwan Bazar Branch, Dhaka